



News Flash – Beginning with the April 2010 update, the Centers for Medicare and Medicaid Services (CMS) will now post the National Correct Coding Initiative (NCCI) Edit files in Excel 2007 and in text formats. Because Excel 2007 can support a larger number of rows, each code range will be contained in one file as opposed to multiple files. This should correct the incompatibility issues that some users experienced last quarter with the Excel 2003 files. Please be aware that Excel 2003 and earlier versions of the software have a maximum row count of 65,536. Some of the NCCI Edit files exceed the maximum row count. If you do not have Excel 2007, please use the text format to import the data into an application that can support larger files. For more information on NCCI edits and to download the files, visit <http://www.cms.hhs.gov/NationalCorrectCodInitEd/> on the CMS website.

MLN Matters® Number: MM6918 **Revised**

Related Change Request (CR) #: 6918

Related CR Release Date: June 18, 2010

Effective Date: October 1, 2010

Related CR Transmittal #: R721OTN

Implementation Date: October 4, 2010

Durable Medical Equipment National Competitive Bidding Implementation -- Phase 10C: Exception for Medicare Beneficiaries Previously Enrolled in a Medicare Advantage Plan

Note: This article was revised on June 21, 2010, to reflect the revised CR 6918 that was issued on June 18, 2010. The article was changed to include a revised first bullet point in the “Key Points of CR 6918” section. Also, the CR release date, transmittal number, and the Web address for accessing CR 6918 were revised. All other information remains the same.

Provider Types Affected

Suppliers billing Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for services provided to Medicare beneficiaries are impacted by this issue.

What You Need to Know

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 6918 to alert providers that under certain circumstances Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) payment will be allowed for grandfathered items for beneficiaries who received services from a

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DMEPOS supplier while under a Medicare Advantage plan. Those items should be furnished by a non-contract Medicare Advantage (MA) supplier under the DMEPOS Competitive Bidding Program for a beneficiary who resides in a competitive bidding area (CBA) and elects to leave their MA plan or loses his/her coverage under this plan. Such beneficiary may continue to receive items requiring frequent and substantial servicing, capped rental, oxygen and oxygen equipment, or inexpensive or routinely purchased rented items from the same DME supplier under the MA plan without going to a contract supplier under the Medicare DMEPOS Competitive Bidding Program.

However, the supplier from whom the beneficiary previously received the item under the plan must be a Medicare enrolled supplier; meet the Medicare fee for service (FFS) coverage criteria and documentation requirements; and elect to become a grandfathered supplier.

Key Points of CR6918

- Medicare will pay oxygen claims that qualify for the MA plan grandfathering at the Round One bid amount and will pay capped rental claims that qualify for the MA plan grandfathering at the fee schedule amount during the Round One contract period. The target implementation date for the Round One Rebid is January 1, 2011, and is subject to change.
- The beneficiary must have been enrolled in a MA plan on the day prior to the start date for the Round One Rebid to qualify for the MA plan grandfathering exception.

Background

The Medicare DMEPOS Competitive Bidding Program was established by section 302(b)(1) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub. L. 108-173) which amended section 1847 of the Social Security Act (the Act) to require the Secretary of Health and Human Services to establish and implement programs under which competitive bidding areas (CBAs) are established throughout the United States for contract award purposes for the furnishing of certain competitively priced items and services for which payment is made under Medicare Part B.

Section 1847(a)(4) requires that in the case of covered DME items for which payment is made on a rental basis under section 1834(a) of the Act, and in the case of oxygen for which payment is made under section 1834(a)(5) of the Act, the Secretary must establish a "grandfathering" process by which rental agreements for the DME covered items and oxygen are entered into before the start of the competitive bidding program may be continued.

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Additional Information

If you have questions, please contact your Medicare DME MAC at their toll-free number which may be found at <http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website. The official instruction associated with this CR6918, issued to your Medicare DME MAC regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R7210TN.pdf> on the CMS website.

To review the complete listing of links to DME related information you may go to <http://www.cms.gov/center/dme.asp> on the CMS website.

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